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CHANCO INTERNATIONAL GROUP LIMITED

卓高國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

RESIGNATION OF JOINT AUDITORS

The board of directors of Chanco International Group Limited announces that Messrs PricewaterhouseCoopers, Certified Public Accountants had resigned as one of the Company's two joint auditors with effect from 26 April 2004. KLL Associates CPA Ltd., being the other of the Company's joint auditors, will remain in office.

The board of directors (the "Board") of Chanco International Group Limited (the "Company") announces that on 26 April 2004 the Company received a notice from Messrs PricewaterhouseCoopers, Certified Public Accountants, ("PWC") in respect of their resignation as one of the Company's two joint auditors with effect from 26 April 2004 as the Company and PWC could not reach agreement on the reduction of auditors' remuneration for the year ended 31 March 2004. As the overall operating cost of the Company is increasing, the Board has decided to implement a stringent control on the overall cost. For this reason, the Company requested for the reduction of auditors' remuneration for the year ended 31 March 2004. PWC and KLL Associates CPA Ltd. ("KLL"), offered a fee reduction proposal to the Company. The Company then counter offered a further reduction on the auditors' remuneration. Subsequently, PWC replied to the Company that the further reduction proposal could not be accepted, so PWC decided to resign as the auditors of the Company. KLL being the other of the Company's joint auditors, accepted the offer from the Company and hold office until the conclusion of next annual general meeting.

Apart from the above mentioned, the notice of resignation received by the Company from PWC did not mention whether there were any matters which should be brought to the attention of the shareholders or creditors of the Company. As the Company is incorporated in the Cayman Islands and there is no relevant requirement under Cayman Islands Law, PWC did not consider it necessary to provide a confirmation letter to the Company in this respect. The Board also confirmed that there are no circumstances which they considered should be brought to the notice of the shareholders or creditors of the Company.

At 1 April 2004, PWC and KLL had jointly participated in stock count performed by the Company. PWC has not been involved in auditing of the Company's accounts for the year ended 31 March 2004 and such auditing work would be solely undertaken by KLL. In relation to PWC's resignation, the Board also considered that there will not be any effect on the announcement of the audited results of the Company and its subsidiaries for the year ended 31 March 2004 which shall be announced on or before 31 July 2004.

As at the date of this announcement, Mr. Chan King Hong, Edwin, Mr. Chan King Yuen, Stanley, Ms. Chan Wai Po, Rebecca are the executive directors of the Company, Mr. Fong Pui Sheung, David and Ms. Chau Cynthia Sin Ha *JP* are the independent non-executive directors of the Company.

By order of the board
Chanco International Group Limited
Chan King Hong, Edwin
Chairman

Hong Kong, 28 April 2004